

HOUSE OF REPRESENTATIVES
Roll Call
APPROPRIATIONS COMMITTEE

DATE: 3-28-07

<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT/ EXCUSED</u>
REP. JOHN SINRUD, CHAIR	✓	
REP. JANNA TAYLOR, VICE CHAIR	✓	
REP. EVE FRANKLIN, VICE CHAIR	✓	
REP. BILL BECK	✓	
REP. TIM CALLAHAN	✓	
REP. EDITH CLARK		exc
REP. WILLIAM GLASER	✓	
REP. RAY HAWK	✓	
REP. CYNTHIA HINER	✓	
REP. GALEN HOLLENBAUGH	✓	
REP. JOEY JAYNE	✓	
REP. DAVE KASTEN	✓	
REP. BILL McCHESNEY	✓	
REP. PENNY MORGAN	✓	
REP. JOHN MUSGROVE	✓	
REP. RICK RIPLEY	✓	
REP. JON SESSO		exc
REP. JACK WELLS	✓	
REP. CRAIG WITTE	✓	

HOUSE OF REPRESENTATIVES

Roll Call Vote

APPROPRIATIONS COMMITTEE

DATE 3-28-07 BILL NO HB 63 MOTION NO. _____

MOTION: Conceptual Amendment 63-1 by Musgrove on the floor 17-2

NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
REP. WILLIAM GLASER	✓		
REP. JACK WELLS	✓		pr
REP. EVE FRANKLIN, VICE CHAIR	✓		
REP. JOEY JAYNE		✓	
REP. TIM CALLAHAN	✓		
REP. RICK RIPLEY		✓	
REP. CRAIG WITTE	✓		
REP. BILL BECK	✓		
REP. CYNTHIA HINER	✓		
REP. BILL MCCHESENEY	✓		
REP. GALEN HOLLENBAUGH	✓		
REP. JON SESSO	✓		pr
REP. EDITH CLARK	✓		pr
REP. PENNY MORGAN	✓		
REP. JANNA TAYLOR, VICE CHAIR	✓		
REP. JOHN MUSGROVE	✓		
REP. RAY HAWK	✓		
REP. DAVE KASTEN	✓		
REP. JOHN SINRUD, CHAIR	✓		

HOUSE OF REPRESENTATIVES

Roll Call Vote

APPROPRIATIONS COMMITTEE

DATE 3-28-07 BILL NO. ~~HB 559~~ MOTION NO. _____

MOTION: HB 63 - Conceptual Amendment to drop late 50m

NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
REP. WILLIAM GLASER	✓		
REP. JACK WELLS	✓		<i>jr</i>
REP. EVE FRANKLIN, VICE CHAIR		✓	
REP. JOEY JAYNE	✓		
REP. TIM CALLAHAN	✓	✓	
REP. RICK RIPLEY	✓		
REP. CRAIG WITTE	✓		
REP. BILL BECK	✓		
REP. CYNTHIA HINER		✓	
REP. BILL MCCHESENEY		✓	
REP. GALEN HOLLENBAUGH		✓	
REP. JON SESSO		✓	<i>jr</i>
REP. EDITH CLARK	✓		<i>jr</i>
REP. PENNY MORGAN	✓		
REP. JANNA TAYLOR, VICE CHAIR	✓		
REP. JOHN MUSGROVE		✓	
REP. RAY HAWK	✓		
REP. DAVE KASTEN	✓		
REP. JOHN SINRUD, CHAIR	✓		

2-7

HOUSE OF REPRESENTATIVES

Roll Call Vote

APPROPRIATIONS COMMITTEE

DATE 3-28-07 BILL NO. HB 529 MOTION NO. _____

MOTION: _____

Amend HB 529

HB 052911, AKJ

1B-6

NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
REP. WILLIAM GLASER	✓		
REP. JACK WELLS	✓		<i>pr</i>
REP. EVE FRANKLIN, VICE CHAIR		✓	
REP. JOEY JAYNE		✓	
REP. TIM CALLAHAN		✓	
REP. RICK RIPLEY	✓		
REP. CRAIG WITTE	✓		
REP. BILL BECK	✓		
REP. CYNTHIA HINER		✓	
REP. BILL MCCHESENEY	✓		
REP. GALEN HOLLENBAUGH		✓	
REP. JON SESSO	✓		<i>pr</i>
REP. EDITH CLARK	✓		<i>pr</i>
REP. PENNY MORGAN	✓		
REP. JANNA TAYLOR, VICE CHAIR	✓		
REP. JOHN MUSGROVE		✓	
REP. RAY HAWK	✓		
REP. DAVE KASTEN	✓		
REP. JOHN SINRUD, CHAIR	✓		

HOUSE OF REPRESENTATIVES

Roll Call Vote

APPROPRIATIONS COMMITTEE

DATE 3-28-07 BILL NO HB 529 MOTION NO. _____

MOTION: _____

HB 529 DPAA

NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
REP. WILLIAM GLASER	✓		
REP. JACK WELLS	✓		<i>pn</i>
REP. EVE FRANKLIN, VICE CHAIR		✓	
REP. JOEY JAYNE		✓	
REP. TIM CALLAHAN		✓	
REP. RICK RIPLEY	✓		
REP. CRAIG WITTE	✓		
REP. BILL BECK	✓		
REP. CYNTHIA HINER	✓		
REP. BILL MCCHESENEY	✓		
REP. GALEN HOLLENBAUGH		✓	
REP. JON SESSO		✓	<i>pn</i>
REP. EDITH CLARK	✓		<i>pn</i>
REP. PENNY MORGAN	✓		
REP. JANNA TAYLOR, VICE CHAIR	✓		
REP. JOHN MUSGROVE		✓	
REP. RAY HAWK	✓		
REP. DAVE KASTEN	✓		<i>pn</i>
REP. JOHN SINRUD, CHAIR	✓		

13-6



HOUSE STANDING COMMITTEE REPORT

March 28, 2007

Page 1 of 1

Mr. Speaker:

We, your committee on **Appropriations** recommend that **House Bill 63** (first reading copy white) do pass as amended.

Signed: _____

Representative John Sinrud, Chair

And, that such amendments read:

1. Page 13, line 17 through line 26.
Strike: subsection (b) in its entirety
Renumber: subsequent subsection
2. Page 15, line 9.
Strike: "\$100"
Insert: "\$50"

- END -

Committee Vote:

Yes 19, No 0

Fiscal Note Required ____

660958SC.hjd

John
3/28/07



HOUSE STANDING COMMITTEE REPORT

March 28, 2007

Page 1 of 14

Mr. Speaker:

We, your committee on **Appropriations** recommend that **House Bill 529** (first reading copy - white) do pass as amended.

Signed: 
Representative John Sinrud, Chair

And, that such amendments read:

1. Title, line 6 through line 7.

Strike: "TAXING" on line 6 through "JURISDICTIONS" on line 7

Insert: "GOVERNMENTS AND TAX INCREMENT FINANCING DISTRICTS UNDER
THE ENTITLEMENT SHARE PAYMENT AND TO SCHOOL DISTRICTS UNDER
THE SCHOOL DISTRICT BLOCK GRANTS"

2. Title, line 8 through line 9.

Strike: "PROVIDING" on line 8 through "2009" on line 9

3. Title, line 10.

Following: "7-1-2111"

Insert: "15-1-121,"

Strike: "AND"

Following: "20-9-406,"

Insert: "AND 20-9-630,"

4. Page 1, line 18.

Strike: "taxing jurisdiction"

Insert: "local government, as defined in 15-1-121(4), each school
district, and each tax increment financing district"

5. Page 1, line 19.

Strike: "3"

Insert: "4"

6. Page 1, line 21.

Strike: "3"

Insert: "4"

Committee Vote:

Yes 13, No 6

Fiscal Note Required ____

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3/28/07

Strike: "TAXING JURISDICTION"

Insert: "local government, school district, and tax increment financing district"

7. Page 1, line 22 through page 2, line 15.

Strike: subsection (2) through subsection (6) in their entirety

Insert: "(2) (a) The department shall distribute the reimbursement to local governments with the entitlement distributions to local governments under 15-1-121(6), and the office of public instruction shall distribute the reimbursement to school districts with block grants pursuant to 20-9-630(2).

(b) For fiscal year 2008, the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each local government and for each school district. By June 15, 2008, the department shall distribute the amount determined under this subsection (2)(b) for local governments as provided in 15-1-121(5)(a). By June 15, 2008, the office of public instruction shall distribute the amount determined under this subsection (2)(b) as a block grant under 20-9-630.

(3) (a) The amount determined under subsection (1) for each tax increment financing district must be added to the entitlement share amount for the tax increment financing district as provided in 15-1-121(7)(b) if the tax increment finance district is still in existence. If a tax increment financing district that is entitled to a reimbursement under this section is not listed under 15-1-121(7), the reimbursement must be made to that tax increment financing district at the same time as other districts.

(b) For fiscal year 2008, the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each tax increment financing district. By June 15, 2008, the department shall distribute the amount determined under this subsection (3)(b) to each tax increment financing district as provided in 15-1-121(7)(b) and to any other tax increment financing district that is entitled to a reimbursement under this section."

8. Page 3, following line 19.

Insert: "**Section 3.** Section 15-1-121, MCA, is amended to read:

"15-1-121. Entitlement share payment -- appropriation. (1) As described in 15-1-120(3), each local government is entitled to an annual amount that is the replacement for revenue received by local governments for diminishment of property tax base and various earmarked fees and other revenue that, pursuant to Chapter 574, Laws of 2001, amended by section 4, Chapter 13, Special Laws of August 2002, and later enactments, was consolidated to provide aggregation of certain reimbursements,

fees, tax collections, and other revenue in the state treasury with each local government's share. The reimbursement under this section is provided by direct payment from the state treasury rather than the ad hoc system that offset certain state payments with local government collections due the state and reimbursements made by percentage splits, with a local government remitting a portion of collections to the state, retaining a portion, and in some cases sending a portion to other local governments. ~~The amount calculated pursuant to this subsection, as adjusted pursuant to subsection (3)(a)(i), is each local government's base entitlement share. The department shall estimate the total amount of revenue that each local government received from the following sources for the fiscal year ending June 30, 2001:~~

~~(a) personal property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999;~~

~~(b) vehicle, boat, and aircraft taxes and fees pursuant to:~~

~~(i) Title 23, chapter 2, part 5;~~

~~(ii) Title 23, chapter 2, part 6;~~

~~(iii) Title 23, chapter 2, part 8;~~

~~(iv) 61-3-317;~~

~~(v) 61-3-321;~~

~~(vi) Title 61, chapter 3, part 5, except for 61-3-509(3), as that subsection read prior to the amendment of 61-3-509 in 2001;~~

~~(vii) Title 61, chapter 3, part 7;~~

~~(viii) 5% of the fees collected under 61-10-122;~~

~~(ix) 61-10-130;~~

~~(x) 61-10-148; and~~

~~(xi) 67-3-205;~~

~~(c) gaming revenue pursuant to Title 23, chapter 5, part 6, except for the permit fee in 23-5-612(2)(a);~~

~~(d) district court fees pursuant to:~~

~~(i) 25-1-201, except those fees in 25-1-201(1)(d), (1)(g), and (1)(j);~~

~~(ii) 25-1-202;~~

~~(iii) 25-1-1103;~~

~~(iv) 25-9-506; and~~

~~(v) 27-9-103;~~

~~(e) certificate of title fees for manufactured homes pursuant to 15-1-116;~~

~~(f) financial institution taxes collected pursuant to the former provisions of Title 15, chapter 31, part 7;~~

~~(g) all beer, liquor, and wine taxes pursuant to:~~

~~(i) 16-1-404;~~

~~(ii) 16-1-406; and~~

~~(iii) 16-1-411;~~

~~(h) late filing fees pursuant to 61-3-220;~~

~~(i) title and registration fees pursuant to 61-3-203;~~

~~(j) veterans' cemetery license plate fees pursuant to 61-3-459;~~

~~(k) county personalized license plate fees pursuant to 61-3-406;~~
~~(l) special mobile equipment fees pursuant to 61-3-431;~~
~~(m) single movement permit fees pursuant to 61-4-310;~~
~~(n) state aeronautics fees pursuant to 67-3-101; and~~
~~(o) department of natural resources and conservation payments in lieu of taxes pursuant to Title 77, chapter 1, part 5.~~

~~(2) (a) From the amounts estimated in subsection (1) for each county government, the department shall deduct fiscal year 2001 county government expenditures for district courts, less reimbursements for district court expenses, and fiscal year 2001 county government expenditures for public welfare programs to be assumed by the state in fiscal year 2002.~~

~~(b)(2) The total amount estimated pursuant to subsections (1) and (2)(a) received in fiscal year 2007 as an entitlement share payment under this section is the base component for the fiscal year 2008 distribution, and in each subsequent year the prior year entitlement share payment, including any reimbursement payments received pursuant to subsection (6), is each local government's base year component. The sum of all local governments' base year components is the base fiscal year entitlement share pool. For the purpose of calculating the sum of all local governments' base year components, the base year component for a local government may not be less than zero.~~

(3) (a) The base year entitlement share pool must be increased annually by a growth rate as provided for in this subsection (3). The amount determined through the application of annual growth rates is the entitlement share pool for each fiscal year. By October 1 of each even-numbered year, the department shall calculate the growth rate of the entitlement share pool for each year of the next biennium in the following manner:

~~(i) Before applying the growth rate for fiscal year 2007 to determine the fiscal year 2007 entitlement share payments, the department shall subtract from the fiscal year 2006 entitlement share payments the following amounts:~~

Beaverhead — \$6,972
 Big Horn — \$52,551
 Blaine — \$13,625
 Broadwater — \$2,564
 Carbon — \$11,537
 Carter — \$407
 Cascade — \$157,151
 Chouteau — \$3,536
 Custer — \$7,011
 Daniels — \$143
 Dawson — \$3,893
 Fallon — \$1,803
 Fergus — \$9,324
 Flathead — \$33,655
 Gallatin — \$222,029

Garfield—\$91
Glacier—\$3,035
Golden Valley—\$2,282
Granite—\$4,554
Hill—\$31,740
Jefferson—\$5,700
Judith Basin—\$1,487
Lake—\$38,314
Lewis and Clark—\$247,886
Liberty—\$152
Lincoln—\$3,759
Madison—\$8,805
McCone—\$1,651
Meagher—\$2,722
Mineral—\$2,361
Missoula—\$172,600
Musselshell—\$23,275
Park—\$6,582
Petroleum—\$36
Phillips—\$653
Pondera—\$10,270
Powder River—\$848
Powell—\$5,146
Prairie—\$717
Ravalli—\$93,090
Richland—\$3,833
Roosevelt—\$9,526
Rosebud—\$19,971
Sanders—\$30,712
Sheridan—\$271
Stillwater—\$12,117
Sweet Grass—\$2,463
Teton—\$5,560
Toole—\$7,113
Treasure—\$54
Valley—\$6,899
Wheatland—\$918
Wibaux—\$72
Yellowstone—\$266,644
Anaconda-Deer Lodge—\$20,707
Butte-Silver Bow—\$53,057
Alberton—\$675
Bainville—\$258
Baker—\$2,828
Bearcreek—\$143
Belgrade—\$11,704
Belt—\$1,056
Big Sandy—\$1,130
Big Timber—\$2,910
Billings—\$163,499
Boulder—\$2,340

Bozeman—\$52,805
Bridger—\$1,303
Broadus—\$766
Broadview—\$258
Brockton—\$414
Browning—\$1,830
Cascade—\$1,374
Chester—\$1,430
Chinook—\$2,275
Choteau—\$3,050
Circle—\$1,018
Clyde Park—\$572
Colstrip—\$4,090
Columbia Falls—\$6,805
Columbus—\$3,245
Conrad—\$4,562
Culbertson—\$1,216
Cut Bank—\$5,316
Darby—\$1,348
Deer Lodge—\$5,708
Denton—\$503
Dillon—\$6,928
Dodson—\$194
Drummond—\$561
Dutton—\$661
East Helena—\$2,888
Ekalaka—\$689
Ennis—\$1,518
Eureka—\$1,733
Fairfield—\$1,120
Fairview—\$1,152
Flaxville—\$143
Forsyth—\$3,286
Fort Benton—\$2,579
Fort Peck—\$393
Froid—\$328
Fromberg—\$855
Geraldine—\$457
Glasgow—\$5,361
Glendive—\$8,099
Grass Range—\$254
Great Falls—\$96,422
Hamilton—\$7,148
Hardin—\$5,920
Harlem—\$1,422
Harlowton—\$1,678
Havre—\$16,223
Helena—\$45,877
Hingham—\$263
Hobson—\$397
Hot Springs—\$912

Hysham — \$482
Ismay — \$43
Joliet — \$1,006
Jordan — \$606
Judith Gap — \$263
Kalispell — \$28,144
Kevin — \$304
Laurel — \$10,804
Lavina — \$361
Lewistown — \$10,170
Libby — \$4,475
Lima — \$397
Livingston — \$12,145
Lodge Grass — \$889
Malta — \$3,389
Manhattan — \$2,485
Medicine Lake — \$410
Melstone — \$234
Miles City — \$14,152
Missoula — \$104,264
Moore — \$319
Nashua — \$536
Neihart — \$149
Opheim — \$180
Outlook — \$125
Philipsburg — \$1,612
Pinesdale — \$1,413
Plains — \$2,007
Plentywood — \$3,185
Plevna — \$225
Polson — \$7,722
Poplar — \$1,544
Red Lodge — \$3,903
Rexford — \$263
Richey — \$309
Ronan — \$3,262
Roundup — \$3,280
Ryegate — \$465
Saco — \$354
Scobey — \$1,798
Shelby — \$5,677
Sheridan — \$1,150
Sidney — \$7,747
Stanford — \$737
Stevensville — \$3,063
St. Ignatius — \$1,367
Sunburst — \$709
Superior — \$1,521
Terry — \$1,011
Thompson Falls — \$2,272
Three Forks — \$3,130

Townsend ~~\$3,286~~
Troy ~~\$1,654~~
Twin Bridges ~~\$695~~
Valier ~~\$817~~
Virginia City ~~\$223~~
Walkerville ~~\$1,183~~
West Yellowstone ~~\$2,083~~
Westby ~~\$263~~
White Sulphur Springs ~~\$1,734~~
Whitefish ~~\$9,932~~
Whitehall ~~\$1,889~~
Wibaux ~~\$893~~
Winifred ~~\$259~~
Winnett ~~\$314~~
Wolf Point ~~\$4,497~~

~~(ii)(i)~~ The department shall calculate the average annual growth rate of the Montana gross state product, as published by the bureau of economic analysis of the United States department of commerce, for the following periods:

(A) the last 4 calendar years for which the information has been published; and

(B) the 4 calendar years beginning with the year before the first year in the period referred to in subsection ~~(3)(a)(ii)(A)~~ (3)(a)(i)(A).

~~(iii)(ii)~~ The department shall calculate the average annual growth rate of Montana personal income, as published by the bureau of economic analysis of the United States department of commerce, for the following periods:

(A) the last 4 calendar years for which the information has been published; and

(B) the 4 calendar years beginning with the year before the first year in the period referred to in subsection ~~(3)(a)(iii)(A)~~ (3)(a)(ii)(A).

(b) ~~(i)~~ The entitlement share pool growth rate for the first each year of the biennium must be the following percentage of the average of the growth rates calculated in subsections ~~(3)(a)(ii)(B)~~ (3)(a)(i)(B) and ~~(3)(a)(iii)(B)~~ (3)(a)(ii)(B):

~~(A)(i)~~ for counties, 54%;

~~(B)(ii)~~ for consolidated local governments, 62%; and

~~(C)(iii)~~ for incorporated cities and towns, 70%.

~~(ii)~~ The entitlement share pool growth rate for the second year of the biennium must be the following percentage of the average of the growth rates calculated in subsections ~~(3)(a)(ii)(A)~~ and ~~(3)(a)(iii)(A)~~:

~~(A)~~ for counties, 54%;

~~(B)~~ for consolidated local governments, 62%; and

~~(C)~~ for incorporated cities and towns, 70%.

(4) As used in this section, "local government" means a county, a consolidated local government, an incorporated city, and an incorporated town. A local government does not include a tax increment financing district provided for in subsection ~~(6)~~

~~(7). For purposes of calculating the base year component for a county or consolidated local government, the department shall include the revenue listed in subsection (1) for all special districts within the county or consolidated local government. The county or consolidated local government is responsible for making an allocation from the county's or consolidated local government's share of the entitlement share pool to each special district within the county or consolidated local government in a manner that reasonably reflects each special district's loss of revenue sources listed in subsection (1) for which reimbursement is provided in this section.~~

(5) (a) The entitlement share pools calculated in this section, the amounts determined under [section 1(2)(b)] for local governments, and the block grants funding provided for in subsection (6) (7), including the amounts determined under [section 1(3)(b)], are statutorily appropriated, as provided in 17-7-502, from the general fund to the department for distribution to local governments. Each local government is entitled to a pro rata share of each year's entitlement share pool based on the local government's base component in relation to the base year entitlement share pool. The Except for the distribution made under [section 1(2)(b)], the distributions must be made on a quarterly basis.

(b) (i) The growth amount is the difference between the entitlement share pool in the current fiscal year and the entitlement share pool in the previous fiscal year. ~~For the purposes of subsection (5)(b)(ii)(A), a county with a negative base year component has a base year component of zero.~~ The growth factor in the entitlement share must be calculated separately for:

- (A) counties;
- (B) consolidated local governments; and
- (C) incorporated cities and towns.

(ii) In each fiscal year, the growth amount for counties must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each county's percentage of the base prior fiscal year entitlement share pool for all counties; and

(B) 50% of the growth amount must be allocated based upon the percentage that each county's population bears to the state population not residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iii) In each fiscal year, the growth amount for consolidated local governments must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each consolidated local government's percentage of the base prior fiscal year entitlement share pool for all consolidated local governments; and

(B) 50% of the growth amount must be allocated based upon

the percentage that each consolidated local government's population bears to the state's total population residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iv) In each fiscal year, the growth amount for incorporated cities and towns must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each incorporated city's or town's percentage of the base prior fiscal year entitlement share pool for all incorporated cities and towns; and

(B) 50% of the growth amount must be allocated based upon the percentage that each city's or town's population bears to the state's total population residing within incorporated cities and towns as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(v) In each fiscal year, the amount of the entitlement share pool not represented by before the the growth amount or adjustments are made under subsection (6) are applied is to be distributed to each local government in the same manner as the entitlement share pool was distributed in the prior fiscal year.

(6) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section, the department shall determine the reimbursement amount as provided in the enactment and add the appropriate amount to the entitlement share distribution under this section. The total entitlement share distributions in a fiscal year, including distributions made pursuant to this subsection, equal the local fiscal year entitlement share pool. The ratio of each local government's distribution from the entitlement share pool must be recomputed to determine each local government's ratio to be used in the subsequent year's distribution determination under subsections (5) (b) (ii) (A), (5) (b) (iii) (A), and (5) (b) (iv) (A).

~~+(6)+(7)~~ (a) If a tax increment financing district was not in existence during the fiscal year ending June 30, 2000, then the tax increment financing district is not entitled to any block grant funding. If a tax increment financing district referred to in subsection ~~+(6)+(b)~~ (7) (b) terminates, then the block grant funding for the district provided for in subsection ~~+(6)+(b)~~ (7) (b) terminates.

(b) One-half Except for the reimbursement made under [section 1(3) (b)], one-half of the payments provided for in this subsection ~~+(6)+(b)~~ (7) (b) must be made by November 30 and the other half by May 31 of each year. Subject to subsection ~~+(6)+(a)~~ (7) (a), the entitlement share for tax increment financing districts is as follows:

Cascade	Great Falls - downtown	\$468,966
Deer Lodge	TIF District 1	3,148
Deer Lodge	TIF District 2	3,126
Flathead	Kalispell - District 1	758,359

Flathead Kalispell - District 2 5,153
 Flathead Kalispell - District 3 41,368
 Flathead Whitefish District 164,660
 Gallatin Bozeman - downtown 34,620
~~Lewis and Clark Helena - 2 731,614~~
 Missoula Missoula - ~~1-1B & 1-1C~~ 1,100,507 250,279
 Missoula Missoula - 4-1C 33,343
 Silver Bow Butte - uptown 283,801
 Yellowstone Billings 436,815

~~(7)~~ (8) The estimated base fiscal year entitlement share pool and any subsequent entitlement share pool for local governments do not include revenue received from tax increment financing districts, from countywide transportation block grants, or from countywide retirement block grants.

~~(8) (a) If revenue that is included in the sources listed in subsections (1)(b) through (1)(c) is significantly reduced, except through legislative action, the department shall deduct the amount of revenue loss from the entitlement share pool beginning in the succeeding fiscal year and the department shall work with local governments to propose legislation to adjust the entitlement share pool to reflect an allocation of the loss of revenue.~~

~~(b) For the purposes of subsection (8)(a), a significant reduction is a loss that causes the amount of revenue received in the current year to be less than 95% of the amount of revenue received in the base year.~~

(9) A three-fifths vote of each house is required to reduce the amount of the entitlement share calculated pursuant to subsections (1) through (3).

(10) When there has been an underpayment of a local government's share of the entitlement share pool, the department shall distribute the difference between the underpayment and the correct amount of the entitlement share. When there has been an overpayment of a local government's entitlement share, the local government shall remit the overpaid amount to the department.

(11) A local government may appeal the department's estimation of the base year component, the entitlement share pool growth rate, or a local government's allocation of the entitlement share pool, according to the uniform dispute review procedure in 15-1-211.

(12) A payment required pursuant to this section may not be offset by a debt owed to a state agency by a local government in accordance with Title 17, chapter 4, part 1."

Renumber: subsequent sections

9. Page 7, line 20.

Strike: "(i)"

10. Page 7, line 27 through line 28.

Strike: subsection (ii) in its entirety

11. Page 9, line 6.

Following: "entity"

Insert: ":

(i)"

12. Page 9, line 7.

Following: "reimbursements"

Insert: ";

(ii) shall decrease the number of mills to account for a new reimbursement under the provisions of 15-1-121(6) that is added to the entitlement share payment to offset a reduction in property tax revenue. The decrease in mills applies in the first fiscal year in which the new reimbursement is received"

13. Page 10, line 7.

Strike: "[section 1];"

14. Page 10, line 11.

Following: "20-9-622;"

Insert: "20-9-630;"

15. Page 12, following line 25.

Insert: "Section 10. Section 20-9-630, MCA, is amended to read:

"20-9-630. School district block grants. (1) (a) The office of public instruction shall provide a block grant to each school district based on:

(i) the revenue received by each district in fiscal year 2001 from vehicle taxes and fees, corporate license taxes paid by financial institutions, aeronautics fees, state land payments in lieu of taxes, and property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999; and

(ii) any reimbursement to be made to a school district pursuant to subsection (2).

(b) Block grants must be calculated using the electronic reporting system that is used by the office of public instruction and school districts. The electronic reporting system must be used to allocate the block grant amount into each district's budget as an anticipated revenue source by fund.

~~(c) With the exception of vehicle taxes and fees, the office of public instruction shall use the amount actually received from the sources listed in subsection (1)(a) in fiscal year 2001 in its calculation of the block grant for fiscal year 2002 budgeting purposes. For vehicle taxes and fees, the office of public instruction shall use 93.4% of the amount actually received in fiscal year 2001 in calculating the block grant for fiscal year 2002.~~

~~(2) If the fiscal year 2003 appropriation provided in section 248(1), Chapter 574, Laws of 2001, is insufficient to fund the school district block grants in fiscal year 2003 at the~~

~~fiscal year 2002 level, the office of public instruction shall prorate the block grants to meet the remaining appropriation. School districts shall anticipate the prorated block grant amounts provided by the office of public instruction in their budgets for fiscal year 2003.~~

(2) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section, the office of public instruction shall determine the reimbursement amount as provided in the enactment and add the appropriate amount to block grant distributions under this section. The total of reimbursement distributions made pursuant to this subsection in a fiscal year must be added to all other distributions to the school district in the fiscal year to determine the distribution for the subsequent fiscal year. The block grant percentage increases in subsections (4) (a) and (4) (c) do not apply to reimbursements made under this subsection for the fiscal year of the first reimbursement, but do apply to the block grant amounts in subsequent fiscal years that incorporate reimbursement added in previous fiscal years. For the purpose of this subsection, the "fiscal year of the first reimbursement" does not include the fiscal year in which the reimbursement under [section 1(2)(b)] is made.

(3) Each Except for the reimbursement made under [section 1(2)(b)], each year, 70% of each district's block grant must be distributed in November and 30% of each district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed.

(4) (a) The block grant for the district general fund is equal to the average amount received in fiscal years 2002 and 2003 by the district general fund from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year.

(b) The block grant for the district transportation fund is equal to one-half of the average amount received in fiscal years 2002 and 2003 by the district transportation fund from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year.

(c) (i) The combined fund block grant is equal to the average amount received in fiscal years 2002 and 2003 by the district tuition, bus depreciation reserve, building reserve, nonoperating, and adult education funds from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year.

(ii) The school district may deposit the combined fund block grant into any budgeted fund of the district.

(5) The funding for block grants provided for in this section, including the reimbursement under [section 1(2)(b)], is statutorily appropriated, as provided in 17-7-502, from the general fund to the office of public instruction for distribution to school districts."

**AUTHORIZED
COMMITTEE PROXY**

I request to be excused from the Appropriation

Committee because of other commitments. I desire to leave my proxy vote with:

REP. JANNA TAYLOR

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT

AYE NO

HB 529	✓	

BILL/AMENDMENT

AYE NO

Rep.

Joe Kaste
(Signature)

Date

3 - 28 - 07

AUTHORIZED COMMITTEE PROXY

I request to be excused from the Ever Franken

Committee because of other commitments. I desire to leave my proxy vote with:
Approps

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO	BILL/AMENDMENT	AYE	NO
Do Pass HB 63	✓	✓			
amendment:	✓				
conceptual to					
remove 63-11					
amendment:					
conceptual to		✓			
reduce 100 M					
to 50 M					
Do pass HB 529	✓	✓			
amendment	✓	✓			
52911.akg					

Rep. Jim Dur Date _____
(Signature)

**AUTHORIZED
COMMITTEE PROXY**

I request to be excused from the House Appropri. Comm

Committee because of other commitments. I desire to leave my proxy vote with:

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

AYE NO

AYE NO

[illegible]

Rep. Edith J. Clark
(Signature)

Date 3/28/07

AUTHORIZED COMMITTEE PROXY

I request to be excused from the APPROPRIATIONS

Committee because of other commitments. I desire to leave my proxy vote with:

REP. JANNA TAYLOR

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO
<i>Remove conceptual</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Remove 63-1 Amendment</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>conceptual \$ to 50 m</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>HB 63 do pass</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>HB 052911. akj</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>HB 529</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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BILL/AMENDMENT	AYE	NO
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Rep. *Jenna M. Taylor*
(Signature)

Date 3-28-07

**Montana House of Representatives
Visitors Register**

APPROPRIATIONS COMMITTEE

Date 3-28-2007

Bill No. 044 Sponsor(s) _____

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Name and Address	Representing	Support	Oppose	Inf.
Don MacIntyre/Helena	UTILITY SOLUTIONS	✓		
Bill Schenk	Fish, Wildlife + Parks		✓	
Hertha Lund	Sr. Appropriations Landon 4 Curran		✓	
Dustin Stewart	MBIA	✓		
John Blomquist	Mt. St. Helens	✓		
Terry Lindsay	Lindsay Oil. Mariner	✓		
John Tuss	OWRE		✓	
John Dunlap	Self		✓	
A. J. J. J.	G ² Consulting			
L. L. L.	Realtor	✓		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.